Regulation (39-) 26-111.

This regulation deals only with credit sales. (Cash sales must be reported currently.)

For the purpose of this regulation, a "credit sale" is a retail sale that is created by a time payment plan, a conditional sale, or a sale secured by a chattel mortgage, whereby the remittance of the full selling price is to be paid at a future date.

If the retailer elects to report the credit sales on the cash basis, he must keep adequate and complete records to show separately the sale price of the tangible personal property, the sales tax applicable to each credit sale, and any interest, insurance or carrying charges that have been added to the sale.

When the retailer reports the credit sale on the accrual basis, he shall include the selling price in the return for the month in which the sale was made and remit the entire applicable sales tax.

The retailer on the accrual basis is allowed a deduction for bad debts on the taxable portion of worthless credit sales. No deduction for bad debts is allowable when the retailer is reporting his taxable sales on the cash basis.

When a repossessed article is resold, the transaction constitutes an entirely new, separate and distinct sale upon which the sales tax shall be collected in the regular manner.

On the sale of a motor vehicle, C.R.S. 1973, 39-26-113 requires that the retailer collect and remit all the applicable sales tax on the accrual basis. No refund or credit for sales tax paid is allowed on the repossession of a motor vehicle.

A cash discount allowed for payment on or before a given date is not an allowable adjustment to the selling price in determining taxable sales.